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*courage is contagious*

## Viewing cable 05LIMA4568, WHA/AND DIRECTOR'S MEETINGS WITH LEADING

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cable's unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

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If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#05LIMA4568**.

Reference ID	Created	Released	Classification	Origin
<a href="#">05LIMA4568</a>	<a href="#">2005-10-24 18:00</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Lima</a>

Appears in these articles:

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This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 LIMA 004568

SIPDIS

E.O. 12958: DECL: 10/20/2015

TAGS: [PGOV](#) [ECON](#) [SNAR](#) [PE](#)

SUBJECT: WHA/AND DIRECTOR'S MEETINGS WITH LEADING  
PRESIDENTIAL CANDIDATES

REF: LIMA 3998

Classified By: Political Counselor Alexander Margulies. Reason: 1.4(d)  
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SUMMARY  
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¶1. (C) SUMMARY: WHA/AND Director Philip French, accompanied by the Ambassador and DCM, on 10/17, met separately with leading presidential hopefuls Lourdes Flores (Unidad Nacional alliance) and Alan Garcia (APRA party); the third principle contender, former Interim President Valentin Paniagua, was out of the country. Flores said that her priorities as President would be to improve education and health care. Garcia provided a spirited denunciation of traditional coca use, called for the total eradication of coca, expressed support for a Free Trade Agreement, and proposed the creation of a revolving fund to finance the transition to export-oriented crops in the Altiplano. END SUMMARY.

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LOURDES FLORES  
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¶2. (C) Flores addressed the following issues during a breakfast hosted by the Ambassador on 10/17:

-- Priorities for Governance: If she becomes President, Flores said that her top priority will be education reform. She recognizes that this will be difficult, and will require active discussion with the SUTEP teachers union (controlled by the Maoist Communist Party of Peru - Patria Roja). She would also like to reform health services, but knows that this would be biting off too much so will have to wait until

education reform is well underway. Her other priorities are to pay more attention to the Armed Forces, where she sees a lot of discontent, judicial reform and the police. The Ambassador noted that these reforms would be expensive. Flores agreed and said that tax reform and greater efficiency in revenue collection would be needed.

-- The Unidad Nacional alliance in the 2006 elections. Flores said that she has a firm deal with Lima Mayor Luis Castaneda that his National Solidarity (SN) party will remain tied to the Unidad Nacional (UN) alliance and together they will present a joint congressional slate in 2006. She acknowledged that there have been some tensions in the coalition because Castaneda feels he won the mayoralty of Lima on his own, and while she admitted that this uncertainty will continue until a formal announcement is made, she was confident it will happen. Castaneda likes to keep the public guessing even when he has made up his mind, Flores noted, citing the ambiguity he projected about whether he would resign as mayor to run for President. Thus, she is not able now to publicly discuss the coalition, which Castaneda probably will not announce until 11:00 PM on the last day (November 9) for registration of such deals. Flores predicted that UN will also draw in a couple of regional movements. It has an agreement with the mayor of Cuzco to incorporate his wife in the UN list, and the same deal with the mayor of Puno. It also expects to line up regional parties/movements in San Martin and Ucayali. Flores thought that a recently released national poll by the respected Apoyo consultancy had the ratio of presidential votes to congressional votes about right. That is to say, if she polls 30 percent in April, the UN/SN coalition will poll 20 percent of the congressional votes (Note: the poll gives both UN and SN about 10 percent of the vote each. End Note).

-- Post First Round Coalitions: Flores assumed that either she or Paniagua will face Alan Garcia in the second round. She would like to form a formal coalition with Paniagua's Accion Popular (AP) party after the first round and before the second. She said she would be happy to do this for Paniagua if he beats her out. The Ambassador asked who else she would find as acceptable coalition partners. Her answer: President Alejandro Toledo's Peru Posible party, if it makes it past the four percent nationwide floor required to elect a candidate to Congress. Flores thought that the pro-Fujimori parties were another possibility, though this could lead AP to withhold its support, which she thought was more important. Flores added that she would not/not be willing to give Fujimori amnesty as the price for his support. She also did not/not exclude the possibility of some sort of governance pact with APRA after the second round.

-- Valentin Paniagua: Flores described Paniagua as an excellent interim President, but opined that, because he has already held the office, he is not motivated to run again and face the possibility of loss. Strong pressure from his AP party to run, however, will probably lead him to cast his hat into the ring. She thought that AP was making a mistake in trying to assemble a coalition that runs from center-right to center-left, as this breadth will come at the cost of weakening the clarity of its platform and make it more difficult to develop the necessary internal support for needed reforms.

-- Praise for PRA: Lourdes had just come back from Satipo in Junin Department. She was very impressed by the USAID-funded projects carried out by the NGO PRA to link agricultural producers to buyers, an initiative that she described as spot on. The coast can largely take care of itself, Flores observed, but the mountain and jungle regions need a strong push from the government. She does not favor hand-outs, but rather PRA-style assistance to access markets for higher value products. She criticized the Toledo Government's trickle-down approach as "demoralizing" for the countryside, where more active government promotion is needed.

-- President Toledo: History, Flores predicted, will remember Toledo more fondly than his contemporaries. Toledo, she noted, grossly over-promised, during his campaign and his presidency, costing himself and other politicians credibility. She acknowledged that if she wins the Presidency, it will not be with enthusiasm of the voters, but rather with their wary acceptance, and that this acceptance will be lost or extended depending upon how quickly she moves and how credible she is seen to be.

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ALAN GARCIA  
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13. (C) Former President and leader of the major opposition party APRA, Alan Garcia, in a 10/17 coffee hosted by the Ambassador, addressed the following issues:

-- Narcotics: On the narcotics issue, Garcia was a chest beater. He dismissed the talk about coca leaf as being a

sacred, traditional or culturally valuable plant. To the contrary, he said, it was used both by the Incas and the Spanish in a cruel way to dull indians to abusive treatment. Garcia pronounced himself as against trying to facilitate or protect traditional use and said that all coca should be eliminated. He also dismissed the possibility of gradual reduction schemes or inducing producers to give up coca in favor of alternative development. Yes there had to be a greater effort at rural development, he said, but the answer for coca is to spray it, eradicate it, get rid of it. While Garcia rarely touches upon the mistakes or lessons he learned during his Presidency, he said that his own effort to take a gradual approach to controlling the coca problem was a mistake, noting how the growing coca problem fed terrorism. He praised Fujimori for winning the fight against Sendero, but faulting him for not being equally tough with coca.

-- Agricultural Reform and the FTA: Garcia opened the conversation by saying he has been working on a book concerning agricultural conversion in the Sierra. He hopes to deliver it to the printer next week. His basic thesis is that the Sierra needs to convert 30,000 hectares per year for five years from traditional crops to new higher value export-oriented crops like artichokes, picilla peppers, paprika and oregano. This could be done, he argued, with a USD 110 million revolving fund. Noting the dependence on export markets, WHA/AND French said, "Then you must be for the FTA." Garcia said yes and turned to the two areas in the negotiation that are most controversial -- intellectual property and protection for traditional agricultural producers. He dismissed the complaints about the impact of better IPR protections on the cost of medicines, saying the consequences would be insignificant. On the agricultural side, he noted that APRA has an important support base in the provinces where traditional agricultural is an important concern. If APRA dismissed this issue it would be shooting itself in the head, but the fact is that the traditional producers need to modernize. "We have to sign the FTA at all costs," he said. As he has in the past, Garcia also spoke of how APRA founder Victor Raul de la Haya had called for a special trading relationship with the United States in a 1940 book as the way to develop Peru and Latin America. The Ambassador mentioned the USAID-funded our economic service centers and the fine work they had done in Huanuco with artichokes and with pimenta piquilla in Huanta, near Ayacucho. Garcia knew about the latter project, including the fact that it had not self-replicated yet even though the results were so positive. He was very impressed with/supportive of the work of our contractor ADRA, but did not realize that we were the ones who paid the freight on this project.

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COMMENT  
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14. (C) Flores appeared to be very comfortable with her current position as presidential front-runner (she leads Garcia by 10 points in the Apoyo poll), but also realizes that the campaign is just beginning. Her assessment of Paniagua's and Castaneda's positions appear to be on the mark, as does her recognition that an alliance with the Fujimoristas would entail serious costs. Garcia has a knack for tailoring his presentations to his audience, and his strong anti-coca pro-FTA message conformed to this pattern. While Garcia's past performance in office would lead one to doubt the sincerity of his apparent conversion to being more Catholic than the Pope on these issues, he did take the lead in denouncing the regional pro-coca ordinances and defending coca eradication when the Constitutional Tribunal was considering these issues last month (Reftel). Furthermore, Garcia's APRA party has been a steady proponent of concluding an FTA with the United States, albeit with sufficient considerations in return for Peru's agricultural sector. END COMMENT.

STRUBLE